

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



July 2, 1987

ALL-COUNTY LETTER NO. 87-93

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY AUDITORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY ADMINISTRATIVE SERVICES OFFICERS

SUBJECT: ASSISTANCE CLAIMING INSTRUCTIONS FOR OVERPAYMENTS WHEN
AN AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)
PARTICIPANT CEASES TO PARTICIPATE IN A PREEMPLOYMENT
PREPARATION (PREP) ASSIGNMENT UNDER THE GREATER AVENUES
FOR INDEPENDENCE (GAIN) PROGRAM

This letter is being transmitted to provide you with assistance claiming instructions for those AFDC participants who received overpayments in their grants while in a PREP assignment under GAIN, worked the hours equivalent to the overpayment amount, but ceased from the assignment before the overpayment was fully recovered.

BACKGROUND

If a participant in a PREP assignment was overpaid, and as a result of the overpayment, worked more hours in the PREP assignment than would have been required if the overpayment did not occur, Manual of Policies and Procedures Section 42-730.324 requires that:

- (a) The number of hours the participant is required to work in future months will be reduced by the number of hours which correspond to the amount of the overpayment recouped through a grant adjustment, voluntary cash recovery, or voluntary grant offset.
- (b) If a participant ceases to participate in the PREP assignment before the adjustment in hours can be made, the remaining overpayment amount represented by PREP hours worked shall be waived.

The State Department of Social Services requested a waiver of the federal regulations which requires states to recover AFDC overpayments, specifically for those instances mentioned in (b) above. The waiver request, however, was not approved. Since the state regulations require the waiving of an overpayment when a participant ceases from a PREP assignment, and federal regulations require states to recover these overpayments, special claiming instructions for these circumstances are necessary.

To avoid a federal noncompliance issue, even though such overpayments will not be recovered, 50 percent of the "waived" amount must be credited to the Federal Government. In addition, the 5.4 percent county share of the waived amount will be credited to the county. The State will fund the amounts credited to the federal and county shares.

CLAIMING INSTRUCTIONS

CA 800

For those overpayments which have not been recovered prior to the participant ceasing from a PREP assignment, Line 27, the "FOR STATE USE" line on the CA 800, Summary Report of Assistance Expenditures is to be used to reflect such overpayments. When applying such an adjustment, the words "(FOR STATE USE)" must be lined out. Line 27 should then be titled "GAIN ADJUSTMENT." Only the amount which reflects the reimbursement of federal and county shares must be carried forward to Line 27, Columns D and F on the CA 800. Line 27, Column E on the CA 800, should reflect a charge to the state share which equals the federal and county reimbursement. It will be necessary to line out the words "GRAND TOTALS" on Line 26, and type in the words "GRAND TOTALS" on Line 28, which then becomes the new "GRAND TOTALS" line. The following example will clarify this instruction:

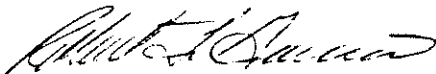
		TOTAL	FEDERAL	STATE	COUNTY
26.	GRAND TOTALS	\$25,000 (Line 12C and 25C)	\$12,500 (Line 24D and 25D)	\$11,150 (Line 19E+ 24E+25E)	\$1,350 (Line 24F+ 25F)
27.	GAIN ADJUSTMENT (FOR STATE USE)		<52>	57	<5>
28.	GRAND TOTALS	\$25,000	\$12,448	\$11,207	\$1,345
29.	(FOR COUNTY USE) A Ch				

Repayment Payroll

The case number, name and amount of the unrecovered overpayment must be reflected on the integrated payroll or reported on a separate repayment contra roll. The unrecovered overpayment for

former PREP participants must not be summarized with regular overpayment recoveries. Therefore, it will be necessary to either manually adjust the integrated repayment summary or prepare two separate repayment contra rolls.

If you have any questions regarding this letter, please contact Ms. Stephanie Davis, Assistance Policy Unit, Fiscal Policy and Procedures Bureau, at (916) 323-0267.



ROBERT L. GARCIA
Deputy Director
Administration

cc: CWDA